**In the High Court of Punjab and Haryana at Chandigarh**

**C.W.P.No.16793 of 2007**
**Date of decision: November 1, 2007**

M/s Fix and Fit Tools International

**---Petitioner**

Vs.

Punjab Financial Corporation and another

**---Respondents**

Coram: **HON'BLE MR. JUSTICE M.M.KUMAR**
**HON'BLE MR. JUSTICE AJAY KUMAR MITTAL**

Present: Mr.Nitin Thatai, Advocate,
for the petitioner.

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**M.M.KUMAR, J.**

The petitioner who is the borrower from the respondent-Punjab Financial Corporation defaulted in making repayment of loan. One time settlement was reached between the petitioner and the respondent- Financial Corporation in September, 2003. The petitioner was not able to comply with the terms and conditions of one time settlement and felt to content after depositing 10% of one time settlement amount, amounting to Rs. 1.25 lacs. Thereafter, the respondent-financial Corporation issued a notice under Section 29 of the State Financial Corporation Act, 1951(for brevity 'the Act') on 20.7.2006 calling upon the petitioner to make the payment of the default amount by 4.8.2006. The petitioner made the payment of Rs. 1 lac only on 1.2.2007 and keep on making representations for the enforcement of one time settlement reached in 2003, which has not been complied with by the petitioner himself. The instant petition has been filed for quashing notice dated 20.7.2006 (P-1) issued under Section 29 of the Act and

letter dated 27.8.2007(P-7) which was finally issued calling upon the petitioner to make the payment of the whole amount.

After hearing learned counsel at some length, we are of the considered view that the prayer made by the petitioner cannot be accepted because the petitioner having defaulted in making repayment of loan has entered into one time settlement. After depositing 10% of the settled amount, the petitioner again defaulted the terms of one time settlement. The respondent-Financial Corporation has to recover its loan amount by resorting to Section 29 of the Act, which is a lawful method recognised by Courts. In that regard reference may be made to view expressed by Hon'ble the Supreme Court in the case of Haryana Financial Corporation v. M/s Jagdamba Oil Mills (2002) 1 P.L.R. 475. This Court cannot interfere in the one time settlement scheme especially when the petitioner has defaulted even to comply with the terms and conditions of one time settlement entered in 2003. There is no merit in the petition and the same is accordingly, dismissed.

**(M.M.KUMAR)**
**JUDGE**

**(AJAY KUMAR MITTAL)**
**JUDGE**

**NOVEMBER 1, 2007**
**paramjit**